

**MINUTES OF REGULAR MEETING  
ILLINOIS GAMING BOARD  
February 5, 2004  
CHICAGO, ILLINOIS**

NOTE: ITEMS IN **BOLDFACE PRINT** REFLECT OFFICIAL BOARD ACTIONS

The Illinois Gaming Board ("Board") held its Regular Meeting on February 5, 2004 in the Auditorium on the 5th floor of the State of Illinois Building, Chicago, Illinois, pursuant to the Illinois Open Meetings Act, 5 ILCS 120/1 et seq.

The following Board Members were present: Chairman Elzie Higginbottom, Members Violet Clark, Gary Peterlin and William Fanning. Member William Dugan was present telephonically.

Chairman Higginbottom convened the February 5, 2004 Regular Meeting at 8:45 A.M. in the 3<sup>rd</sup> floor Board Conference Room. Member Clark moved that **pursuant to Section 2(c), paragraphs (1), (11), (14) and (21) of the Open Meetings Act and Section 6(d) of the Riverboat Gambling Act, the Board retire to Closed Session to discuss the items listed under Closed Session on today's (February 5, 2004) agenda and relating to the following subject matters:**

- 1. Pending litigation and matters involving probable litigation;**
- 2. Investigations concerning applicants and licensees;**
- 3. Personnel matters; and**
- 4. Closed session minutes.**

Member Peterlin seconded the motion. The Board adopted the motion by unanimous consent and retired to closed session.

The Board convened its Open Session at 1:10 P.M. Member Dugan was not present for the Open session portion of the meeting.

Minutes

Member Peterlin moved that **the Board approve the closed session minutes of its Regular Meeting of December 9, 2003, Telephonic Meeting of January 8, 2004, Telephonic Meeting of January 21, 2004 and the open session minutes of its Regular Meeting of January 15, 2004, Telephonic Meeting of January 8, 2004, and Telephonic Meeting of January 21, 2004.** Member Clark seconded the motion. The motion was approved by Chairman Higginbottom and Members Clark and Peterlin, with Member Fanning abstaining.

## Chairman's Report

Chairman Higginbottom stated that the Board met earlier this week in Closed session to discuss the seven bids submitted for the 10<sup>th</sup> casino license. Chairman Higginbottom stated that it was the first time that the Board had the opportunity to discuss the bids as a body. Chairman Higginbottom stated that the Board wants the process to be fair, open and competitive, with everything "out on the table." Chairman Higginbottom provided the public with the amount of each bid. Chairman Higginbottom stated that on February 23, 2004, the Board would reduce the number of bidders from seven to three. Chairman Higginbottom stated that once it has been narrowed to three bidders, the Board anticipates an auction for the Emerald license, which would be held on March 10, 2004. Chairman Higginbottom stated that until the Board selects the final three bidders, Staff would continue to evaluate each bid. Chairman Higginbottom stated that this has been a very difficult process, and that Staff has been working hard to ensure that the process is fair and competitive.

Chairman Higginbottom announced the following:

Caesars Entertainment offered a \$205 million bid to construct a casino in Rosemont.

Harrah's Entertainment, which has partnered with S-L Partners, tendered a \$375 million bid to construct a permanently moored barge in Waukegan.

Isle of Capri Casinos Inc. has proffered a \$351 million bid to construct a casino in Rosemont.

Mandalay Hyatt LLC, which is affiliated with Hyatt Development Corp. and Mandalay Resort Group, submitted a \$20 million cash bid to construct a facility in Summit.

Penn National Gaming submitted a \$506 million bid to construct a casino in Rosemont.

Southland Development Group, which partnered with Merit Management Group LLC and Gatling Community Development Inc., offered \$250 million to construct a permanently moored barge to be located in the City of Country Club Hills.

Wynn Midwest, which partnered with Wynn Resorts Limited and Midwest Gaming Entertainment LLC, has offered \$360 million to construct a casino on a permanently moored barge in the City of Des Plaines.

Chairman Higginbottom thanked all of the companies that submitted their proposals. Chairman Higginbottom stated that the Board and Staff are looking forward to working with the individual corporations to get the process concluded as quickly as possible so that the State of Illinois could receive the much needed revenue.

### Administrator's Report

Interim Administrator Tamayo requested that the Board table several items on the agenda due to the volume of public commentary.

Interim Administrator Tamayo stated that Staff received the bids for the 10<sup>th</sup> license on January 20, 2004, and had special telephonic meetings on January 21 and February 3. Interim Administrator Tamayo stated that Staff had an extended discussion with the Board this morning (February 5, 2004). Interim Administrator stated that as Staff moves through the process, they are conducting a thorough evaluation of all of the factors that go into the decision-making of what is the most qualified candidate to hold an owners license.

Interim Administrator Tamayo stated that Staff requested all seven applicants to make Section 5.1 Disclosures available to the Board and the members of the public. Interim Administrator Tamayo stated that this information discloses the actual ownership, as well as answers to a number of other questions regarding the ownership. Interim Administrator Tamayo stated that the information was now available for inspection by the public.

Interim Administrator Tamayo stated that the legislature is in session, and during the next few months, it is possible that there would be proposals for legislation that affects gaming. Interim Administrator Tamayo stated that the Board does not take a position on gaming legislation; however, it does provide information on what the impact of the legislation would be.

Interim Administrator Tamayo stated that with regards to TITO, Staff continues to work diligently with the licensees to implement the technology by April 2004. Interim Administrator Tamayo stated that Staff anticipates that the technology would help with operations on the riverboats, as well as make Illinois somewhat more competitive with its neighboring states.

### Owner Licensee Items

HARRAH'S CASINO, JOLIET – BRIAN BENTLEY – DIRECTOR OF GAMES OPERATIONS – LEVEL ONE – Thomas Thanas, Attorney, was present on behalf of Brian Bentley to request approval as a Level One.

Based on a review of the staff's investigation and recommendation, Member Clark moved that **the Board approve Bryan W. Bentley, as an Occupational Licensee, Level 1 in his capacity as Director of Games Operations at Harrah's Casino in Joliet, Illinois.** Member Peterlin seconded the motion. The Board approved the motion unanimously by voice vote.

PAR-A-DICE CASINO – INITIAL CONSIDERATION FOR LICENSE RENEWAL – Donna More, Attorney, and Don Snyder, President of Boyd Gaming Corporation, were present on behalf of Par-A-Dice Casino to request initial consideration for license renewal.

Ms. More stated that Par-A-Dice has submitted material to Staff and has addressed concerns that Staff has had.

Mr. Snyder provided the Board with a brief review on Boyd Gaming Corporation and its background history.

Interim Administrator Tamayo stated that Staff would be meeting with Par-A-Dice Casino over the next month and would have a final report to present to the Board at the March 11, 2004 meeting.

### Occupational Licensees

Based on staff's investigation and recommendation, Member Peterlin moved that **the Board approve 9 applications for an Occupational License, Level 2 and 36 applications for an Occupational License, Level 3 and 1 denial for an Occupational License at Level 3.** Member Clark seconded the motion. The Board approved the motion unanimously by voice vote.

### Proposed Complaints and Disciplinary Actions

- In re the Disciplinary Action of Dawn Hannafin

Based on the staff's investigation and recommendation, Member Peterlin moved that **the Board issue a Disciplinary Complaint against Dawn Hannafin, a Level 3 Occupational Licensee, for failing to comply with the Act and Board Rules in relation to her misdemeanor conviction for theft, which is a crime of dishonesty.**

Further, Member Peterlin moved that **the Board revoke Ms.Hannafin's Occupational License. Said action to take affect twenty-one (21) days from the date of service of this complaint unless the licensee files an Answer within that time period.** Member Clark seconded the motion. The Board approved the motion unanimously by voice vote.

- In re the Disciplinary Action of Joseph Ostrega

Based on a review of the staff's investigation and recommendation, Member Fanning moved that **the Board issue a disciplinary complaint against Joseph Ostrega, a level 2 Occupational Licensee, for failing to comply with the Riverboat Gambling Act and the Board's Adopted Rules.**

Further, Member Fanning moved that **the Board revoke Joseph Ostrega's occupational license. Said action will take effect twenty-one (21) days from the date of service of the Complaint unless the licensee files an answer within that time period.** Member Clark seconded the motion. The Board approved the motion unanimously by voice vote.

## Public Commentary

Tom Grey, Executive Director, National Coalition Against Legalized Gambling was present to express his opinion on why the 10<sup>th</sup> license should not go to Rosemont.

Joann Braam, Citizens Against Gambling Expansion, was present to express her opposition for awarding the 10<sup>th</sup> license to the City of Des Plaines. Ms. Braam, stated that of the five communities being considered for the 10<sup>th</sup> license, the City of Des Plaines is the only one before the Board that has held a legal, public referendum in which the citizens rejected casino gambling within the city limits.

Anita Bedell, Executive Director, Illinois Church Action on Alcohol & Addiction Problems, was present to discuss the social costs of gambling, such as addiction, bankruptcy, crime and suicide - that she feels should be considered as it relates to expansion of gambling. Ms. Bedell urged the Board to balance citizens' concerns and social cost versus revenue projections and benefits.

Donald J. Storino, West Central Municipal Conference, was present to express his support for a casino in the Village of Rosemont. Mr. Storino stated that with Rosemont being the 11<sup>th</sup> largest convention town in the country, it is indisputable that a casino based in the Village of Rosemont would generate the most money for the State of Illinois and for municipalities throughout Cook County.

Rev. Omar Logan was present to express his opposition for awarding the 10<sup>th</sup> license to the City of Waukegan. Rev. Logan stated that a casino would not benefit the City of Waukegan, rather it would be costly and destructive. Rev. Logan urged the Board to consider the citizens of Waukegan and how a casino in their backyards would affect their future and their children's future.

Jim Garrett, President/CEO, Chicago Southland Convention and Visitors Bureau, was present to express his support for a casino in the City of Country Club Hills. Mr. Garrett stated that riverboat gaming in itself is not a cure-all for the Chicago Southland region; however, it is an important component and the "match" that would help the Southland "ignite" and accelerate economic development.

Tom Swoik, Executive Director, Illinois Casino Gaming Association, was present to discuss how the casino industry has a positive impact on the economy of the State of Illinois. Mr. Swoik also provided academic and government figures that demonstrated that addiction, bankruptcy, and crime do not increase with the presence of casino gaming.

Mike Scholefield, Chairman, Chicago Southland Economic Development Corporation, was present to express his support for a casino in the City of Country Club Hills.

John L. Stob, President, South Suburban Coalition Against Gambling Expansion, was present to express his opposition for awarding the 10<sup>th</sup> license to the City of Country Club Hills. Mr. Stob stated that the citizens of Country Club Hills believe that the proposed casino, which would be located directly across the street from a residential district, would exploit the families not only in that area, but also those in nearby low income communities.

Ken Darnell was present to express his opposition for awarding the 10<sup>th</sup> license to the City of Country Club Hills. Mr. Darnell provided the Board with a slide presentation that explained how gambling affects children, communities, and families.

Joan Patricia Murphy, Cook County Commissioner, 6<sup>th</sup> District, was present to express her support for awarding the 10<sup>th</sup> license to the City of Country Club Hills. Ms. Murphy stated that Country Club Hills met all of the criteria for awarding a license to a particular location.

Reverend Dr. Robert J. Patten, Grace Missionary Baptist Church, was present to express his opposition for awarding the 10<sup>th</sup> license to the City of Country Club Hills. Reverend Patten expressed his views on how a casino would destroy the community and families in the communities.

David Rock, Vice President, First National Bank of Illinois, was present to discuss the benefits that the 10<sup>th</sup> license would have on school finances. Mr. Rock stated that school finances rely upon local real estate taxes. Mr. Rock used the State Aid Formula to demonstrate that additional development in Des Plaines and Rosemont would increase local revenue for the school districts.

Jeffrey T. Sherwin, Mayor, City of Northlake, was present to express his support for awarding the 10<sup>th</sup> license to the Village of Rosemont. Mayor Sherwin stated that the Rosemont Revenue Sharing Plan is the fairest plan, in his opinion, and would spread tax revenues among the most communities.

Jerry Prosapio, former compulsive gambler, was present to express his opposition for awarding the 10<sup>th</sup> license to the City of Country Club Hills. Mr. Prosapio urged the Board to listen to the public and allow the democratic process to work. Mr. Prosapio stated that to award a license to Country Club Hills would nullify all of the citizens' efforts.

Reverend Jesse Reason, Assistant Pastor of Grace Missionary Baptist Church, was present to express his opposition for awarding the 10<sup>th</sup> license to the City of Country Club Hills. Reverend Reason stated that a casino in Country Club Hills would cause families to lose their life savings and would have a negative impact on the community. Reverend Reason urged the Board not to destroy the City of Country Club Hills by awarding the 10<sup>th</sup> license to them.

Thomas J. Murawski, Village President, Midlothian, was present to express his support for awarding the 10<sup>th</sup> license to the City of Country Club Hills. Mr. Murawski stated that the

City of Country Club Hills would like to give the State of Illinois an opportunity to recapture the revenue lost from when citizens of Illinois travel to the gaming facilities in Indiana as opposed to Illinois. Mr. Midlothian stated that the City of Country Club Hills would like to keep Illinois money in Illinois.

Donald E. Peloquin, Mayor of Blue Island, was present to express his support for awarding the 10<sup>th</sup> license to the City of Country Club Hills. Mayor Peloquin provided the Board with a breakdown of how the revenues generated from the 10<sup>th</sup> license would be distributed to the different south suburban communities.

Dr. Irene H. Brodie, Mayor for the Village of Robbins, was present to express her support for awarding the 10<sup>th</sup> license to the City of Country Club Hills. Mayor Brodie stated that having a casino in Country Club Hills would allow the Village of Robbins to enhance its school system and give the village money to leverage in order to get its industrial parks moving, which in turn would offer jobs for people.

Lena M. Moreland, Village Clerk, Village of Bellwood, was present to express her support for awarding the 10<sup>th</sup> license to the Village of Rosemont. Ms. Moreland stated that the revenues for the 10<sup>th</sup> license could be used to upgrade Bellwood's police and fire departments' service equipment and vehicles.

Henrietta Turner, Director of Community Development, City of Country Club Hills, was present to express her support for awarding the 10<sup>th</sup> license to the City of Country Club Hills. Ms. Turner stated that a casino would benefit the school districts in the Southland area.

Steve Pannell, Mayor, City of Park City, was present to express his support for awarding the 10<sup>th</sup> license to the City of Waukegan. Mayor Pannell stated that Park City is one of the six communities that Waukegan has agreed to share gaming revenues with to help fund schools, infrastructure and other basic needs.

Susanna Figueroa, Community Liaison, City of Waukegan, was present to express her support for awarding the 10<sup>th</sup> license to the City of Waukegan. Ms. Figueroa stated that a casino in the City of Waukegan would provide job opportunities with competitive salaries. Ms. Figueroa stated that the revenue generated from the casino could be used for community building.

Thomas Kirkpatrick, Chicago Crime Commission, was present to express his opposition for awarding the 10<sup>th</sup> license to the Village of Rosemont and to any agreement that repays the Emerald investors. Mr. Kirkpatrick stated that the Gaming Board has the responsibility to ensure the integrity of licensed gambling establishments and to maintain complete public confidence in the legitimacy of their operations. Mr. Kirkpatrick briefed the Board on why he feels that the Rosemont site has been inextricably linked with questionable dealings.

Gary Dowty, Executive Vice President, Lake County Contractors Association, was present to express his support for awarding the 10<sup>th</sup> license to the City of Waukegan. Mr. Dowty stated that a casino in Waukegan could turn the city and surrounding areas around economically with the creation of jobs and the development of the downtown area and the lakefront area.

Mayor Ralph W. Conner, Village of Maywood, was present to express his support for awarding the 10<sup>th</sup> license to the Village of Rosemont. Mayor Conner stated that a casino in the Village of Rosemont would have a positive impact on the hotel and hospitality industry around the O'Hare Airport.

Juan Rangel, Chief Executive Officer, The United Neighborhood Organization, was present to express his support for awarding the 10<sup>th</sup> license to the City of Waukegan. Mr. Rangel stated that a casino in the City of Waukegan would serve as an economic engine for an entire region that lacks viable economic opportunity.

Patricia A. Handy, President/CEO, Urban League of Lake County, was present to express her support for awarding the 10<sup>th</sup> license to the City of Waukegan. Ms. Handy stated that the revenues from a casino in the City of Waukegan could be used to improve the community.

Thomas J. Comein, Alderman, City of Country Club Hills, was present to express his support for awarding the 10<sup>th</sup> license to the City of Country Club Hills. Mr. Comein stated that the proposed site would be off of a major highway interchange, which would prevent the casino from disturbing the residents of Country Club Hills. Mr. Comein stated that a casino in the City of Country Club Hills would also benefit the surrounding southern suburbs.

Joseph Balasa, Chief Operating Officer, Chicagoland Chamber of Commerce, was present to express his concerns regarding Penn National. Mr. Balasa stated that the Penn National bid compromises the integrity of the auction process on many levels. Mr. Balasa stated that Penn National's bid causes for the State to pay for the casino and then pay Penn National a large fee to manage the casino. Mr. Balasa stated that it would not be possible for the State to fairly regulate and set taxes for privately owned casinos while at the same time compete with the casinos.

David E. Barger, Business Manager/Financial Secretary, International Brotherhood of Electrical Workers Local Union 150, AFL-CIO, was present to express his support for awarding the 10<sup>th</sup> license to the City of Waukegan. Mr. Barger stated that he grew up in the City of Waukegan, and that it was a great place to grow up. Mr. Barger stated that he would love to see the City of Waukegan come around full circle, and that a casino in the City of Waukegan would help accomplish that.



Amelia Regan, Executive Director, Rosemont Chamber of Commerce, was present to express her support for awarding the 10<sup>th</sup> license to the Village of Rosemont. Ms. Regan stated that Rosemont would be giving away virtually all of the money it would receive in gaming tax to dozens of depressed suburbs. Ms. Regan stated that a casino in the Village of Rosemont would benefit the entire metropolitan region more than any other proposed location.

Bill Hood, Managing Director of Corporate Affairs, American Airlines, was present to express his support for awarding the 10<sup>th</sup> license to the Village of Rosemont. Mr. Hood stated that as a leader in the tourism business, American Airlines finds Rosemont to be a good place to do business and the “front door to Chicago.”

At 4:35 P.M., Member Clark moved that **pursuant to Section 2 (c), paragraphs (1), (11), and (14) of the Open Meetings Act, the Board retire to Closed Session to discuss the following subject matters:**

- 1. Pending litigation and matters involving probable litigation;**
- 2. Investigations concerning applicants and licensees; and**
- 3. Personnel matters.**

Member Dugan seconded the motion. The Board approved the motion unanimously by voice vote.

The Board adjourned at 5:15 P.M.

Respectfully submitted,  
Monica Thomas

Secretary to the Board